(C)

1864-65

G. R. S. IX-5]

Previous references.

File No. 6 of 1864.

191 .

(S.R.)

Serial Nos. 1-2

Later references.

21

(Incomplete)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2 .

Major **Part B for** May 1865

SUBJECT.

Meerglers opposition for opening a Second Distillery in Bangalore, under Sudder System.

Indeed

88

W D 88—GPB—50,000—24.7.16

It cannot I think, be too
legitimately into question
I am of opinion that the
the retail shops should be put
up to auction as promptly
as practicable. It is probable
that the giving over for pur-
poses other than merger is one of the
main causes of dissatisfaction
with the present system. This should be
corrected as soon as possible,
due notice being given.
Orders will be subsequently
issued concerning the entrance on
the course of the merger in
relation with distilling

I. C.
64.

B- 16/5/64

Secret...

File No.....

Serial No.....

Excise.

1865. 66

From Superintendent Dundee/Dr

To The Secretary to the Com.
of Inspr

Dated 9th May 1865.

Despatched 13 Ditto

Received 15th " "

Enclosures No.

General No. 1358

Rec'd No.

Subject

This Officer has the honor to
Submit copy of letter
from Mr. Merchler re-
garding the Distillers
and offers a few re-
marks on the same of his
Statement.

Comm.

15 May 65

The minute in the Sale of
Corn may be wing to the Custom
difficulty of procuring Spirits
but is a matter of account

K. 6164-18-5-65

General No. 108.
Revenue No. 3.

Sundidroog Division
Superintendents Office
Davaroyadroog 9 May 1865.

To
The Secretary to the Commissioner
for the Government of the Territories
of H. H. the Rajah of Mysore

Sir,

I have the honor with reference to my letter No. 41 of the 6th Instant to submit copy of a letter dated the 4th May 1865 No 1 just received from Mr. Bergler and would offer a few remarks on some of his statements.

I believe Mr. Bergler is correct in stating that the loss of Revenue (7000 Rupees) on Arrack in the Soonkoor District is more apparent than real and the increase of the Soddy Contract in 1864/65 and 1865/66 (Rupees 19499) more than compensates for that loss.

Mr. Bergler requests that the privilege accorded last

year of renting half the retail shops may be continued to him, and offers to rent all the Pettah and Cantonment shops at an aggregate increase of Rupees 9000. also promising to equalize the profits of the Retail Sellers. It appears borne that this equalization will be effected by disposing of all the Licenses by Auction as has been ordered and that with a much larger increase of Revenue.

The present arrangement is doubtless in many respects convenient and Mr. Burgher has not failed to supply the quantity of spirit required for consumption throughout the Division, and he is not likely to meet with any competition except in Bangalore but the monopoly of manufacturing

and selling Spirits is contrary to the Sudder Distillery System and creates a grievous impression that the Contractor realizes enormous gains which, true or false, can be removed only by Government allowing of competition.

I have the honor to be
Sir
Your most Obed Servant

A Dalton
Superintendent

N.B.

The despatch of this letter has been delayed waiting for the receipt of the Toomkoor Toddy Statement.

A D

Secy Govt
12/5/65

Bangalore 4th May 1865.

To,

Colonel R. S. Dobbs
Supt. Nundidroog Division
Bangalore.

Sir,

The first official year after the introduction of the Sudder system into the Nundidroog Division having just closed, I respectfully beg to submit the following particulars in connection with the working of the system for your consideration.

2. I would take the liberty to state that in the Financial report of the Government of India for the past two years, it is stated that a result of the introduction of this system has not been favorable to the revenue. Though the Theory of the new system is simple, yet in my humble opinion the system when put into practice in its entireness is not likely to produce the result it is intended to bring about. Viz. "to obtain the largest possible revenue on the smallest consumption of liquor." Much will depend on the care used in carrying out details in practice, and in suiting the same

to the local circumstances of the different countries where the system is brought into operation.

8 For instance — one rule of the new system is, "that any person who chooses may "erect a still at his own expense within the "Sudder Distillery and distil as much as he please "and he may remove the liquor himself or he may "sell it to others after paying the duty." Here there is no limit as to the number of persons who may become manufacturers, and the quantity to be distilled is left to the pleasure of each distiller. This is the Theory of the rule. How would it turn out in practice if carried out literally in Bangalore? A number of petty individuals would set up stills in the Distillery, spirits of all kinds of quality would be manufactured, a feeling of rivalry would spring up, not so much to induce wholesome competition in improving quality and reducing price, as to bring into the market and force upon the lower classes and persons of small means inferior liquor at low prices. Combinations too will take place between petty Distillers, and facilities would be afforded for defrauding the Government revenue in such

a

a way as to render detection difficult.

4 Another rule says "No expensive buildings are required for a Sudder Distillery: a mud wall enclosure with a strong door, two sheds in proportion to the number of stills that may be expected to be worked in them and a good well, are the sole necessaries". I would respectfully state that if in Bangalore a number of petty distilleries were allowed, how is it possible that all their washvats, their stills, the storing of their raw materials, and the stacking of fuel could find room in two sheds within the enclosure. I would leave it to yourself to picture the clashing the wrangling, and the confusion which would be occasioned, even between the servants of two distillers much more among a number of them. The incessant trouble which would be experianced cannot but prove a source of annoyance to the officers of Government and of loss to the revenue.

5 I would observe that when the Akkarry was under Government management there were no less than five Distilleries maintained in different parts of the country, and nine Talooks

of the Chittledroog Division were annexed for the purpose of securing raw materials. But the Government found it so difficult to supply Bangalore with spirits that a separate contract was entered into to get 4000 Gallons of Rum of greater strength monthly from Paulhully. I mention this not so much to shew the exertions used by me to carry out the views and promote the interests of Government under the new system, without possessing those facilities, which obtained in Amanee as to bring to your notice the impracticability of carrying out the business efficiently if more than one Agent be employed, for in such case unless individual interests are combined for common good, the annoyance and trouble which would be experienced, (to cause which there are innumerable modes not easy to describe) that will render the work disagreeable and unpleasant to endure day after day.

6. To conduct the business satisfactorily and to meet the requirements of Bangalore, suitable buildings with extensive accomanodations are required to lay in a stock of Jaggery Bark &c. during the proper seasons every

year

year, besides having on hand a months supply of Spirits to meet unlooked for contingences. These alone can render the working of the Sudder system efficient and satisfactory. How far I have succeeded in carrying out these points, I must leave to yourself to judge.

7 Under these circumstances I respectfully submit that allowing one Distiller for the Bangalore Division cannot be considered a monopoly in any way calculated to be productive of injury or at variance with the object of the new system, which expressly prescribes, "that within the sudder Distillery "the Spirits required for the consumption of a "certain tract of country must be manufactured "under previous orders of this office, also that "a second Distillery will not be set up in any "place without the special orders of the Commissioner". Hence that which is imperative viz^t. the manufacture of the spirits required for consumption in the Bangalore Division being secured a second Distillery or in other words a

second

second Distiller I trust will not be considered necessary.

8 I not only manufacture the quantity of Spirits required for consumption, but I also keep a stock on hand giving it age. Thus a more wholesome liquor is offered to the population as fresh spirits are known to be injurious to the health of the consumers. Again the price at which the spirits are sold to retail vendors, and the price at which the retail sales are effected, are fixed with the cognizance of the authorities, who allow a reasonable margin of profit to all parties concerned. And this considering the local circumstances of the case, is both discreet and necessary, avoiding as it does undue combination against the consumers of spirits as well as against the realization of the Government Revenue.

9 I would beg to draw your attention that in the Nundidroog and Astagram Divisions the Distillation has been carried on by one Distiller in each place while in the Nuggur Division more than one Distiller has been allowed to conduct the business. A comparative view of the revenue realized in each of the above Divisions, during the last year, with that yielded under the former system during the preceding year will I trust shew

shew that the Sudder Distillery system, as it has been carried out in the Nundidroog and Astagram Divisions is best calculated to suit the Mysore country and to secure the Government Revenue.

10 I would especially submit for your consideration the rule which says that "There is no objection to the manufacturer and vendor being one and the same party" For from this being a matter of objection, it is calculated to promote the interests of Government and to secure desirable advantages to the consumers of spirits I beg you will be pleased to carry out the orders of the Commissioner to allow me a moiety of the retail shops.

11 Another point I beg to submit is that the classification of License fee, as at present collected is inequitable in its results. For instance a first class License holder pays 15 Rupees a month and sells 150 Gallons during that period while another paying a similar fee cannot sell more than 60 Gallons monthly. Thus the former pays License fee at one Anna and seven pie per Gallon while the latter is compelled to pay four Annas for the same indulgence.

12 At present the License fee in Bangalore amounts to about 15000 Rupees per

per annum If the retail shops be given over to the manufacturer in accordance with the rule permitting the same I will pay 24,000 Rupees per annum as License fee, thus increasing the revenue under this head by 9000 Rupees yearly. And I would here explain that I would be able to cover the above payment by arranging with each retail vendor to pay a uniform rate on every Gallon actually sold by him Such an arrangement would deprive no retail vendor of the rights he hitherto enjoyed. The unequal taxation now in force would cease and the vendor would receive a just proportion of the hire due to him.

16 You were pleased to recommend me to the Commissioner on the introduction of the new system. And it is to you I am indebted for the kind assurance the Commissioner sets out to me through you "Viz. that" I may be assured of all proper support, if I conducted the business satisfactorily. You are aware of the large outlay I have incurred in building an extensive Distillery in setting up expensive machinery in collecting raw materials and in short in initiating all necessary measures to carry out the views of the Government and

you

you are also aware of the annoyances and ob-
structions I have been subjected to mostly by
the machinations of one Nature, Thoppa Kordiar,
who besides addressing the Commissioner thro'
native agency and inciting the retail vendors to
petition continually has also had recourse to, and
enlisted as such men as Mr. Brown and Mr.
Sackwell (who know nothing of the business)
also Mr. Corbett of Palamnair to try to dis-
turb me and if possible to take the business
out of my hands. Mr. Corbett wrote to me
holding out a threat, that he would oppose me
if I did not buy spirits from him, which I
could not do under the present system, offering
the same at 2 Rupees a Gallon which he consi-
dered a fair price.

14. The revenue on the sale of
spirits in this Division has on the whole de-
creased during the last year It is however remar-
kable that in the Cantonment and Pettah there
is an increase in the revenue of 10,950 Rupees and
a decrease of 18,984 Gallons of consumption, thus
gaining the object aimed at in the Sudder
Distillery system viz. "obtaining the largest
"possible revenue in the smallest consumption
of

"of Liquor." The falling off in the Districts may be accounted for by the less number of shops as compared with the preceding year, and consequent less facilities afforded for sale. In the preceding year the shops were 989 in number, whereas last year there were only 411 shops.

15 In the Bangalore Taloke and Colar District there has been a fall in the Revenue to the extent of Rupees 36184-7-9 This I consider arises principally from the Colar District being surrounded by H. dd Territories Viz^t. Bellary, Cuddapah, North Arcot and Salem from whence no doubt a smuggling is carried on to some extent, the falling off is greater on the borders of the above Collectorates than in the interior. I would respectfully suggest that the provision made in the sudder rules exempting shops on the borders paying License fee, if sanctioned in Mysore, would to some extent prevent smuggling, in as much as consumers accustomed to drink cannot be deterred from drinking by the change of system.

16 In the Toomkoor District the decrease of Revenue is about Rupees 7,000 Under the former system the Abkarry of this District

was

was farmed out. Subbing the toddy and spirits together. And the sums representing the Revenue of toddy and spirits were entered on a guess For two years I myself rented five Talooks under the above system and excepting Toombaor Talook itself I found that the Revenue set down against spirits was never realized to that extant while the toddy exceeded the amount. Hence the present falling off of Revenue in spirits cannot be considered accurate

17 I beg to append a statement shewing the sales of spirits in the Cantonment and Pettah and in the Districts for the past two years. From this it will be seen that with a less number of shops the deficit of Revenue as compared with the preceding years aggregate Rupees 25,284-6-9 This deficit however can be made good if the number of shops allowed in the Talooks are established and made over to the manufacturer.

18 In conclusion I would respectfully beg I may be pardoned for any remarks I may have made not in accordance with the views of superior authority, and I would beg to assure you that they are advanced in no feeling of opposition to the views of Government. My most anxious desire is to place before you in as a clear manner as I am capable of doing certain

points

. points which in my humble opinion would not only promote the working of the system, but be of advantage to the Revenue of the Govern-
- ment.

I remain
Sir
Your most Obediant Servant
(Signed) J. Mergler.

True Copy
[signature]
for Superintendent

Comparative statement of the number of shop
the year 1863—64 under the Contract system
Sudder Distillery system shewing the qu
for such periods.

Stations	During the year 1863—64 under the Contract system.					
	No. of Shops	Quantity of spirits sold Gallons	My Contract Amount			
Cantonment and Pettah Talookas	101	91,131	1,82,038	11	5	Cantonmen
	989	Exact quantity cannot be ascertained as several	113,643	4	"	License f
						Bungalo
						License
						Solar
		Talooks sub	2,95,681	15	5	License
						To remov
						of a Cor
						whole year
						as Unf
						months
						Decrease

A difference of 2 or 3 hundred Rupees more

An accurate account of the amount paid

, in the Bangalore Division during
and during the year 1864–65 under the
ntity of Spirits sold and the Revenue realized

During the year 1864–65 under the
Sudder Distillery System.

	No. of Shops	Quantity of Spirits sold Gallons	Revenue and License Fee					
t and Pettah	101	77,147	1,68,958	14	5	1,83,988	14	5
e	"	"	15,030	"	"			
e District	219	41,665	41,665	7	8	52,389	7	8
ee	"	"	10,724	"	"			
District	192	2,00,198	2,0019	2	7	25,069	2	7
ee	"	"	5050	"	"			
el from the station of Cavalry for the Rupees 7,200 and for ntry Corps for four Rupees 1800	"	"	9000	"	"	9000	"	"
in 1864–65	"	"	"	"	"	25,234	6	9
			Total			295,681	15	5

or less might occur in the License fee
I could not obtain of some Talooks

True Copy
E. M. Walter
for Superintendent

64

Received 18 May 65

1865.

From Superintendent of Mundidroog Division

To The Secretary to the commissariat Mysore

Dated 13 May 1865

Despatched 15th ditto

Received 17th " 0—0

Section

File No

Serial No

Enclosures No. 3

Cal No 158

Rec No 4

Subject.

Letter from the Officer 108 of 9th Regt Native Infantry submits in original ... Engler's letter dt 3rd 10th Regt Native Infantry with enclosures bringing to notice that the discontinuance of his contract would entail serious loss on him.

Comme 17 May 65 Superintg

I do not think any immediate action called for R 18/5/65 Ag 2nd Lt 64 - 18. 5

13/5/65

Bangalore 10th May 186

Colonel R. S. Dobbs
Supt. Nundidroog Divn.
Bangalore

Sir,

A valuation of the cost of the enclosure wall and sheds of my Distillery having been called for with the view I believe of throwing it open to the Public, I beg to submit the following particulars for your consideration.

2 On the cancelling of my contract in 1863, it was my intention to return to the Government the stock that was made over to me for 19116 Rupees it being the Common practice in Bangalore that one contractor on the expiration of his term, should make over the stock on hand either to the next contractor or to the Government.

3 I was induced however to retain the stock on the encouragement held out in the

Secretary's

Secretary's letter to your address, in which the Commissioner was pleased to say "That Mr. Meyler or "any manufacturer will not lose "by the Sudden System."

4 "Relying on the faith of this letter, and having been called upon to select sites for erecting Distilleries in the Nundidroog Division, it was then that I ventured to make arrangements for erecting Distilleries, making up utensils, collecting materials &c. all which involved much trouble, anxiety and expence. I would here add that the stock purchased for Rupees 19,116 was barely sufficient for the purpose of distilling for a fourth of the wants of the Division, provision having been made for the supply of spirits for Bangalore itself from the Paulhally Factory. Some idea may hence be formed of the increased expenditure and trouble it required to bring up my establishment to such a scale as to meet the wants

of

of the whole Division, without
resorting to extraneous aid.

5 ——— I further beg to bring
to your notice that in order to extend
the production of Coimbatore Arrack
for which a certain class of labourers
are required, I have sent for seventeen
families from Madura and
Tinchinopoly, who have emigrated
to this part of the country only so
late as last month, besides the
thirteen families I got up in the
early part of my contract. This was
done to render my establishment
as efficient as possible, practical
knowledge and experience having
pointed out to me this course as
indispensable. ———

6 ——— I have exerted myself
to the procuring and storing up
of Jaggery, in order to provide against
adverse contingencies. This has been
a matter of the greatest importance
and of anxious solicitude to me,
owing to the failure of the article
in the Salem district where a large
export

exports trade has been carried on
with H.C. Mc. Dominions.
I have been compelled to look to
Mysore for Jaggery and have only
recently returned from Seringapatam,
Mysore and Ganjam whither I
proceeded to secure a stock and have
now on hand 35000 Rupees worth.

7 Further I would
mention that to provide against
failure of the article in the local
Districts, I have entered into an
agreement with Messrs Arbuthnot
& Co. to ship for me from the ports
of Cocanada & Bimlipatam
Molasses. I have now completed
an engagement with this firm for
1000 Hogsheads, the cost of which
including carriage amounts to
about 26,000 Rupees I enclose two
letters from that firm on this
subject for your perusal. × request that they be returned.

8 Relying on the assurance
of the Secretary's letter already
referred to, and acquainting myself
with the Act XXI of 1856, on which
the

the Sudder Rules are based, I felt secure in embarking in the present enterprise, I would beg to invite your attention to Para 8 of the Oudh Circular No 6/1390 of 1861 which recognises a system based upon the 37th and following Sections of the Act. I would most respectfully submit attention to Section 44 quoted in the Margin.× These circumstances induced me to assert myself to the utmost to give satisfaction without infringing any of the Rules or Regulations.

I would add that I was further encouraged to venture undertaking this business which required so great an outlay anxiety and labour, by the kind assurance the Commissioner held out to me through you, to the effect that I may be assured of all proper support, if I conducted the business satisfactorily ". I humbly trust I have hitherto carried on the business to your entire satisfaction.

× "Provided always that nothing in this section shall be held to prohibit the grant to the same person of both wholesale and retail licenses subject to the provisions of this Act."

10 I would beg to state that I have no objection to relinquish the business, giving up at the same time the contract of the 8 Talooks which I purchased at a very high rate, 30,000 Rupees above that of last year, with a view of conducting the business satisfactorily, as without possessing these Talooks an adequate supply of Jaggery could not be procured for the manufacture of spirits required for the Bangalore Division. Hence it was the custom even during annamee to have these Talooks attached to the Bangalore Division. The contract of these Talooks and the Distilleries I shall willingly relinquish in order to be free from risk of loss and ruin, should the Commissioner be pleased to indemnify me by the purchase at a fair price of the building and materials belonging to the concern.

Surat
Borsiem
Bondihalle
Honnulli
Tonnakéré
Chikkanaikenhulle
Cudur
Mudgiri

Rs 16137
Rs 4100
Rs 30240

11 In submitting these remarks I would beg that my motives may not be misconstrued,

Thanah

though prompted in a great measure by a regard to my own individual interests, they will, I trust, be found agreeable to the dictates of justice and equity. My outlay is very large and to upset my work in so short a period at this time would entail serious loss if not ruin on me.

12 In conclusion I would most humbly beg that you will be pleased to submit this letter with your kind support to the Commissioners

I remain

Sir

Your Most obedient Servant

S. Elder

13/3/66

4

1065/66.

Mr. Hunter

Dated 10 March

Recd 12 "

No 3

Begs to notice
that the last con-
tinuance of his
Contract would
entail second
loss on him

Madras 29th March 1865

Mr. N. S. Cam
Bangalore

Sir,

We are favored with your letter of 20th Instant and in reply to your enquiry have to state that we could probably within a short time supply your friend with about 1000 Casks of Molasses of 52 Gallons (Imperial) each - The price including Casks would be Rs 20/- per Cask delivered at our Godowns here - Cash on delivery. As we should have to incur freight & other charges in bringing the Molasses down from our factories, we should require the party to give us distinct orders for so many Casks at a time - depositing Rs 10/- per Cask to cover charges - deposit to be forfeited if the Goods are not taken possession of and paid for within a reasonable time (to be agreed upon) after landing in Madras - We could at once deliver 200 Casks.

We are Sir
Your Obed't Servants
Mottett & Co

Madras. 10th April 1865.

Messrs. I. Mergler & Co
Ab Karg Contractors
Bangalore

Dear Sirs,

With reference to your letters of 6th & 7th Instant, and to Mr. Bains note enclosed in the first, we are willing to close with you on the terms proposed & will be glad to see you personally on the subject.

We have upwards of 200 Hhds Molasses now in Godown in Madras which could be delivered to you immediately and the remaining quantity [illegible] from Cocanada & Bimlipatam.

For this we should require timely notice as shipping is not always to be had when wanted.

We are,
Dear Sirs,
Yours faithfully.

Mercantile & Co

Carriage Charges
for one Cooke 4 wh.
725 lbs 9 Bamboos
in each Basket & Bangles
Rs 6-7

Rs 9 Bamboos @ 0.3
Carriage of Baskets 1-8
Rs 10 each Cooke 4-3-3

Rs 1000 Cooke 4875-0-0
Bamboos & 700
5575